

U.S. House and Senate Notification
Friday, May 21, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS Releases Issues Final Guidance on the Medicare Coverage Gap Discount Program Beginning in 2011

The Centers for Medicare & Medicaid Services (CMS) today issued new guidance to Part D plan sponsors on the Medicare Coverage Gap Discount program that will begin in 2011. The guidance was finalized after receiving comments on the draft guidance released on April 30, 2010. The guidance clarifies how the discount program will be implemented and that CMS will coordinate the manufacturers' reimbursement for discount payments that Part D sponsors provide on manufacturer's behalf to applicable beneficiaries under this program through a third-party administrative contractor.

CMS also issued today through a notice in the Federal Register the draft model agreement that drug manufactures of applicable part D drugs will sign in order to participate in the discount program.

CMS will host a public meeting on June 1st to discuss and collect public feedback about the draft manufacturer agreement, and gather feedback about the guidance issued today. CMS is encouraging drug manufacturers, Part D plan sponsors, and representatives from the beneficiary advocacy community to provide input and comments.

The Press Release for this announcement is available at:
http://www.cms.gov/apps/media/press_releases.asp

The draft model agreement can be found at: <http://www.federalregister.gov/inspection.aspx>

The guidance is attached and will be available at:
<http://www.cms.gov/PrescriptionDrugCovContra/HPMSGH/list.asp#TopOfPage>

If you have any questions, please contact the CMS Office of Legislation. Thank you.